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MIRAMICHI REGION
DEVELOPMENT CORPORATION INC.

ANNUAL REPORT

1998 - 1999

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MIRAMICHI
OUR RIVER.
OUR PEOPLE. OUR FUTURE.

158 Wellington St., Suite 201, Miramichi Economic Center, Miramichi, New Brunswick, Canada, E1N 1L9
Tel: (506)622-7990 Fax (506)622-2160 Email: mrdc@nbnet.nb.ca

MIRAMICHI REGION
DEVELOPMENT CORPORATION INC.

June 10, 1999

TO: **MIRAMICHI REGION DEVELOPMENT CORPORATION**
SHAREHOLDER MUNICIPALITIES

Ladies & Gentlemen:

It is with great pleasure that I present the Annual Report covering a 12 month period ending March 31, 1999. This report represents the 24th year of operation of your corporation.

The activities carried out by the Corporation have resulted in investments, business start-ups, expansions, community development, partnerships, and a growing co-operation within the region. We are proud of our accomplishments in fostering the growth of business and look forward to continuing economic development in the Miramichi Region.

Sincerely,

Richard Jardine
President

/jws

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EXECUTIVE

President	Richard Jardine
Vice President	Omer MacKenzie
Secretary	James Porter
Treasurer	John McAllister

BOARD OF DIRECTORS

Blackville	Suan McEvoy
	Omer MacKenzie
Doaktown	James Porter
	Caroline Taylor
Miramichi	Ann Creamer
	William Fraser
	Richard Jardine
	Blaine Jenkins
	John McAllister
	Leslie Price
	Herb Underhill
	Robert Walsh

EX OFFICIO MEMBERS

City of Miramichi	Mayor Rupert Bernard
Village of Blackville	Mayor Roland Walls
Village of Doaktown	Mayor James Porter

"Helping foster the growth and development of small to medium sized businesses."

MIRAMICHI REGION DEVELOPMENT CORPORATION
Miramichi Economic Centre, Suite 201
158 Wellington Street
Miramichi, NB
E1V 1L9

Visit our web site address: http://www.mibc.nb.ca/mrdc
For additional information or to send your comments
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"Serving Northumberland County"

Business Consulting
Business Start-Up Consultations
Direct Link to Provincial & Federal Departments
Assistance with Business Plan Development
Entrepreneurship Training
Sale of Industrial Park Land
Financial Programs

"Staff"

General Manager	**Daryl Black, Ec.D.**
Economic Development Officer	**Wayne Carpenter**
Business Development Officer	**Rick Lloyd**
Business Development Officer	**Christine Martin**
Executive Secretary	**Joanne Sellars**

PRESIDENT'S REPORT

On behalf of the Board of Directors of the Miramichi Region Development Corporation, I am pleased to present the 1998-99 Annual Report for the fiscal year ending March 31, 1999.

As President, I am proud of the many activities undertaken to enhance business development in the Miramichi Region.

As "the first door to economic development activities in the Miramichi Region", business counseling is our major function. In the past year, 873 in-house consultations and 237 field visits were made. These 1110 clients represent a wide spectrum of business opportunities.

Government funding of $13,608,000, accessed through the Miramichi Region Development Corporation and its many partners, has provided incentive for additional private investments in excess of $40,000,000. These funds assisted to create, expand, upgrade and diversify many businesses and created or retained an estimated 1,000 permanent employment opportunities and 380 summer jobs for our youth.

The economic outlook for the Miramichi Region is extremely strong. The redevelopment efforts at the former CFB Chatham by Sky Park Miramichi has been a very successful effort involving municipal, provincial and federal authorities and is considered a model for base redevelopment efforts throughout the country.

These results are now evident throughout the business community and should lead the region in our job creation activity.

A key ingredient to successful Economic Development is ensuring required transportation infrastructure is readily available.

Capital improvements at the Miramichi Airport continue to provide the facilities for improved passenger service and the presence of the Department of Natural Resource Air Tankers.

The Miramichi Port Committee has been incorporated and is proceeding with a feasibility study to ensure the long term viability of the Port of Miramichi.

Recently announced highway improvements ensure quicker, safer and more efficient movement of product for our exporting companies and the recently privatized New Brunswick East Coast Railways is providing a quality service to our region.

We need both levels of government to proceed with the upgrading of Highway 108 (Renous-Plaster Rock). This important corridor has been talked about for too long. This much needed improvement would ensure the Miramichi Region is an important transportation link in Eastern Canada, and provide new business opportunities.

Marketing of our region is an essential function of our corporation and our efforts were certainly rewarded at the Economic Developers Association of Canada Annual Conference in Halifax. The Miramichi Region was the recipient of six marketing Canada awards sponsored by the Globe & Mail report on business.

Acknowledging and promoting our local entrepreneurs is a corporate objective we are most pleased to do and as a highlight of this evenings activities, we will honour a very deserving individual, Mr. Robert Tozer, with the prestigious Miramichi Achiever Award. Robbie exemplifies the individuals who make a difference in our community.

I would like to take this opportunity to acknowledge the continuous support of our funding partners: the Atlantic Canada Opportunities Agency, the Department of Economic Development Tourism & Culture, and our shareholders, the City of Miramichi and the Villages of Blackville and Doaktown. I want to acknowledge the professional approach of our board and staff to the daily task of economic development in the Miramichi Region. The strength of each of these players enables us to achieve the highest goals.

Richard Jardine
President

DESCRIPTION OF OPERATIONS

BUSINESS DEVELOPMENT

Business Development in the region consists of a number of activities which are outlined below:

A. BUSINESS COUNSELLING

B. FINANCIAL ASSISTANCE PROGRAMS - APPROVALS

C. EDUCATION DEVELOPMENT

D. ENTREPRENEURIAL AWARDS

E. INDUSTRIAL PARK DEVELOPMENT

F. TRANSPORTATION INFRASTRUCTURE DEVELOPMENT

G. BUSINESS SUPPORT

H. COMMUNITY ECONOMIC DEVELOPMENT STRATEGY

I. INVESTMENT CO-ORDINATION

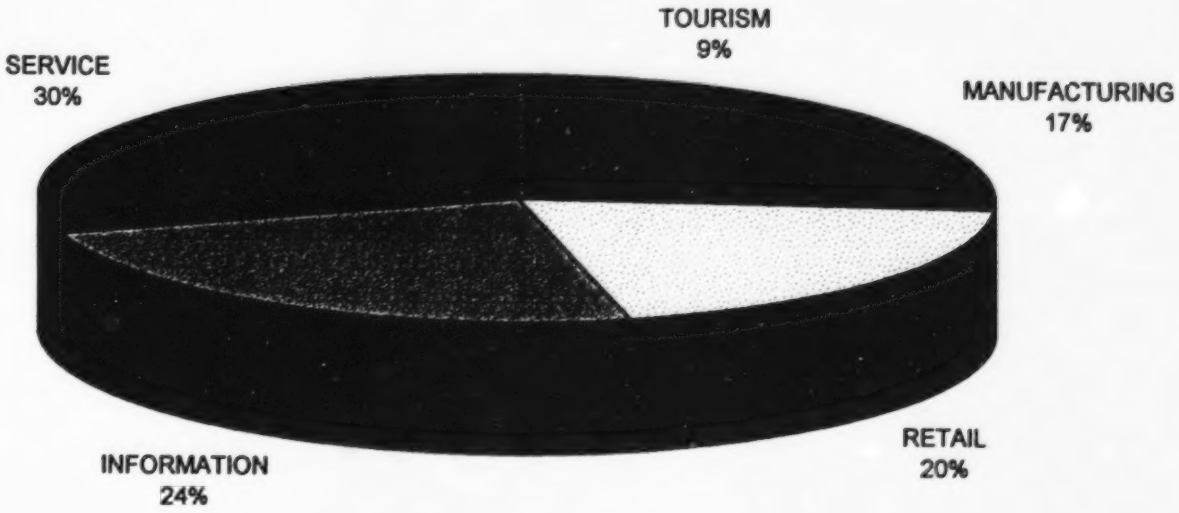
J. COMMUNICATION

K. NETWORKS

L. HUMAN RESOURCE DEVELOPMENT

A. BUSINESS COUNSELLING

Total client contact including office and field visits were 1,110. The sector breakdowns are indicated in the graph below:



The staff of the Miramichi Region Development Corporation provides free and confidential advice, guidance and assistance on programs, financing, marketing, and business plans to the Miramichi business community. Result breakdowns are as follows:

Field Visits	237
Office	873
	1,110

B. FINANCIAL ASSISTANCE PROGRAM

A summary of financial assistance provided by senior government departments to the Miramichi Region is outlined in the following charts:

FINANCIAL ASSISTANCE RECEIVED
April 1, 1998- March 31, 1999

GOVERNMENT OF CANADA

PROGRAMS	APPLICATIONS APPROVED	TOTAL
Atlantic Canada Opportunities Agency	17	$1,484,698
Aboriginal Business Development	7	99,676
Summer Career Placement	305	533,588
Self-Employment Benefit	48	540,000
Regional Development Corporation	23	258,020
SEED Capital Loan	7	105,000
Transitional Job Fund	17	1,003,519
SUB TOTAL	424	$4,024,501

GOVERNMENT OF NEW BRUNSWICK

PROGRAMS	APPLICATIONS APPROVED	TOTAL
Student Venture	9	$21,100
Partners	134	1,494,933
NB Entrepreneur	29	277,400
Self-Start	7	64,000
Financial Assistance Program	4	1,077,416
Quality Assurance & Technical Missions	21	23,082
SECAP	4	116,886
Job Action	46	219,068
Environmental Trust Fund	12	3,490,392
Trade Assistance & Marketing	14	52,859
NB Job Corp	48	1,234,800
Youth Programs	17	699,219
Opportunities Fund	5	69,505
Rural Experience	23	509,673
JET Stream	66	233,188
SUB TOTAL	439	$9,583,521

GRAND TOTAL	863	$13,608,022

C. EDUCATION DEVELOPMENT

The Miramichi Region Development Corporation is involved with a number of projects which create a partnership with youth and business in the Miramichi Region. The introduction of entrepreneurship to our youth expands their career options and creates awareness of the complex working environment outside of traditional learning systems.

1. Junior Achievement Program

Junior Achievement was sponsored at Miramichi Valley High School this past year. Jane Donaldson Bowes' Entrepreneurship class at Miramichi Valley High School proved to be very successful. Sponsors for the program include: NB Tel, Repap NB Inc., Northumberland Co-op, and the Royal Bank of Canada.

The Entrepreneurship Class of Miramichi Valley operated "Hitch's Hemp". Their products included hemp necklaces, bracelets, anklets, and key chains. They sold within their school, in other schools, and to the general public. The venture was successful in turning a profit.

The students were able to learn a great deal about the operation of a small business, gain valuable experience, and had lots of fun. Many students contributed their own free time to make the venture successful. The program would not have been successful without the dedication of Ms. Bowes and the assistance of the sponsors.

2. University Programs on the Miramichi

The general manager and a member of the Board of Directors of the Miramichi Region Development Corporation are members of the University Programs on the Miramichi Board of Directors.

In 1998-99, there were 56 full time and 35 part time students enrolled in year one and year two university courses in the Miramichi region.

The University of New Brunswick, Saint Thomas University, and Mount Allison University are offering over 20 courses for those interested in obtaining their first and second year in the Bachelor of Science, Arts, Commerce, or Business Administration degree.

D. ENTREPRENEURIAL AWARDS

In recognition of the success of individuals in the Miramichi region, the Miramichi Region Development Corporation makes presentation of achievement awards.

1. Miramichi Achiever Award

Vaughan Ross of Boiestown was the 1998 recipient of the prestigious Miramichi Achiever Award which was presented at the Miramichi Region Development Corporation Annual Meeting in June.

The criteria established for selection of the Miramichi Achiever recipient is as follows:

- generally known throughout the region
- has excelled in their selected field
- is an inspiration and role model to others
- has demonstrated achievement over a period of time, and
- has established at one time their home or business on the Miramichi.

Mr. Ross is a very worthy recipient of the Achiever Award. He has been an inspiration to us all and his strong dedication and commitment have contributed immensely to our community.

E. INDUSTRIAL PARK DEVELOPMENT

The Miramichi Region Development Corporation provides land at very competitive prices for industrial purposes in three industrial parks.

The Miramichi Industrial Park - Blackville Site, contains eight acres of unserviced property. The Chatham Site provides 84 acres of serviced land, and the Newcastle Site 45 acres of property containing all municipal services.

During the past year, the Miramichi Region Development Corporation, in partnership with the City of Miramichi and the provincial Department of Economic Development Tourism & Culture secured funding to provide required infrastructure to a portion of the Miramichi Industrial Park - Newcastle Site, which will assist in the retention of existing business and provide serviced lands for potential new investments.

An agreement of sale has been signed with a prospective tenant of the Miramichi Industrial Park - Blackville Site, and negotiations are ongoing with interested parties in the Chatham and Newcastle Sites.

F. TRANSPORTATION INFRASTRUCTURE DEVELOPMENT

Special emphasis has been placed on the promotion of transportation infrastructure development in the region. A committee consisting of staff, board members, and sector representatives has a mandate to improve and create awareness of the transportation networks in the region.

Quality Transportation Infrastructure is an integral component in maintaining and expanding our economic base.

The Miramichi Airport Commission continues to initiate numerous activities to ensure the Miramichi Airport provides quality air service to the Miramichi and surrounding areas.

The Port of Miramichi - Chatham Site was transferred to the private sector in 1997-98 and the federal Department of Transport announced plans to divest of the Newcastle Site.

The Miramichi Region Development Corporation has taken a lead role in co-ordinating the activities of local user and interest groups in determining the feasibility of the Port operations which has resulted in the creation of the Miramichi Port Committee Inc. The committee's Board of Directors include representatives of the City of Miramichi, Repap New Brunswick, Newcastle Lumber, Ultramar, Eagle Forest Products, Miramichi Trade & Labour Union, Greater Miramichi Chamber of Commerce, Logistec Stevedoring, and the Miramichi Region Development Corporation.

G. BUSINESS SUPPORT

1. Small Business Week

The theme of this year's Small Business Week was "Innovation. A Growing Experience".

During the last week of October, various activities were held such as the Employee Appreciation Evening, attended by approximately 250 people which offered a relaxing night out for employers and their deserving employees. The evening included a meal, donated prizes, entertainment and an opportunity to network with other business owners.

A number of information sessions highlighting such subjects as Millennium 2000, Managing Cash Flow, and Marketing in the IT Sector attracted over 100 business persons.

The Business Development Bank of Canada offered a full day of free business counseling with six individuals participating in one hour sessions.

A Business to Business Expo sponsored by the Greater Miramichi Chamber of Commerce featured over 40 display areas, and offered excellent liaison between a number of local businesses.

A Champagne Business Breakfast concluded the week long activities and attracted 100 people to a very informative presentation featuring Phillip Oliveri, VP - Engineering, Fundy Communications Inc. as guest speaker. Mr. Oliveri spoke on the activities and challenges in this very competitive communication sector.

The organizing and sponsoring of the Small Business Week events is a partnership between a number of local, provincial and federal agencies.

2. Information Sessions

The Miramichi Region Development Corporation plays a major role in informing the public on the mandate of the corporation, the region's vast wealth, financial programs, and issues of concern to the business community.

During the past 12 months, a number of information sessions have been co-ordinated in such areas as Tourism, Trade & Development, Self-Start, Quality Assurance, Networking Information, and Atlantic Canada Opportunities Agency Information Sessions.

Formal presentations by the corporation were made to 13 groups which consisted of approximately 165 individuals being addressed.

3. Satellite Offices

Field visits to the municipalities of Blackville and Doaktown provides a very convenient service to area residents.

4. Export

The Miramichi Region Development Corporation, in co-operation with the Department of Economic Development Tourism & Culture, are identifying and updating local company export capabilities. There is an increased focus on working with local companies to assist them in becoming export ready.

H. COMMUNITY ECONOMIC DEVELOPMENT STRATEGY

The Strategic Plan is into it's fourth year of implementation and volunteers from throughout the region continue to devote their time to ensure recommended action plans and goals developed during the community forums in 1996 are acted upon. As stated in the Final Main Report, "the Community Economic Plan is fully supportive of this community empowerment with ownership and responsibility remaining at the local level".

Developments during the past year include the revamping of the Steering Committee to ensure representation of all locally-based public and private sector interests. The committee has expanded to include individuals representing vast interests. Seventeen members meet on a monthly basis and the commiitee is anticipating additional participants to further represent the region. Guest speakers are frequently invited to participate. Recent guests included Rick DesBrisay, Business Round Table, Shawn Graham, Manager Industrial Development Natural Resources and Energy, Minister Ronald Duhmel, Secretary of State-Science, Research and Development and Western Economic Diversification Canada, and Joe O'Neill, Repap, relating to "A Protected Areas Strategy for New Brunswick."

The Mayors of the five municipalities in the region meet on a regular basis. Mayors from Blackville, Doaktown, Miramichi, Neguac, and Rogersville have met on three occasions and each Mayor serves as host in their area on a rotating basis. Recent agenda items include Natural Gas, Tourism, Infrastructure, Heath Steel Mines, and options regarding a Protected Areas Strategy., The formal name for this group is Miramichi Mayors' Forum: Forum des maires de Miramichi.

The Sustainable Miramichi Community Development Committee chaired by Carman Bryenton meet monthly to discuss issues relating to sustainability. Recent topics included "Discussion Paper on Social Policy", "A Protected Areas Strategy for New Brunswick", Smart Communities, Regional listing of recreational activities and facilities, and checklist of Miramichi Birds. Tom Greathouse and Harry Walker have worked closely with the committee and recently presented documentation regarding over 250 birds. Repap New Brunswick is sponsoring this project by producing a brochure and a Miramichi area map of bird habitats.

The committee continues to create discussions encompassing four focus areas: Environmental, Economic, Social and Infrastructure.

Jeff Tapley, Manager, HRDC chairs the New Youth Era Action Team which has succeeded in achieving a number of established goals including initiatives such as Youth Village, Leadership/Mentoring Programs, Youth Awareness and Youth Forums continue to identify new initiatives.

According to the results of the consultation program, "tourism is reviewed as a growth market opportunity and participants are optimistic for the future of the Miramichi Region". Participants continue to strive to develop a "drawing card" to make our region a destination for tourists. A bilingual Calendar of Major Festivals and Events has been published for the second year in the 1999-2000 NB Telephone Book.

I. INVESTMENT CO-ORDINATION

1998 was an extremely active year for in-missions and meetings relative to potential outside investment to the region. The Miramichi Region Development Corporation, in partnership with other local economic agencies and private interests, assisted in hosting three groups, organizations, or individual firms from various North American locations during the year.

The local economic agency partners, politicians, and business community representatives promote the Miramichi area as an excellent location to live and do business while providing current regional information to potential investors.

J. COMMUNICATION

Effective communication is an essential ingredient of the Miramichi Region Development Corporation's economic development activity. The corporation utilizes a number of methods to convey information to the general public and business community on corporate services.

The communication avenues employed by the corporation include seminars, workshops, presentations, newspaper, radio, magazine, television, brochures, information mailouts, direct mail, and press releases.

The goal of the corporation is to provide an ongoing and co-ordinated program to inform, create, and sustain awareness internal and external to the region.

There is a strong desire throughout the region to work together in marketing efforts, thus the Marketing Miramichi Group was established to promote a unified message for the Miramichi.

1. Marketing Miramichi

An objective established by the Miramichi Region Community Economic Development Strategy was to identify a vision for the region. The vision is the basis for the development of a community communication and marketing plan.

Marketing Miramichi, a group consisting of various economic partners, have organized and co-ordinated a marketing strategy for the region. The implementation of the strategy has a two year time frame and the Miramichi Region Development Corporation provides financial and human resources on a selected basis.

The efforts of the Market Miramichi Group were rewarded at the Economic Developers Association of Canada Annual Conference.

The Miramichi Region received six Marketing Canada Awards sponsored by the Globe & Mail - Report on Business.

Bronze awards were presented in the categories of print advertisements (single ad); advertising ad (color) and gift give-away items.

A Silver award was presented for advertising - print (color) "Miramichi Get Hooked On It".

Gold awards were presented in two categories. The "Miramichi TV Spot", a thirty second video highlighting our regions beauty and activities was the recipient of the advertising - broadcast award and Cathy Carnahan's "Miramichi Magic" was presented the top award in the gift item category.

All of the materials receiving awards were developed and produced by local entrepreneurs.

2. Internet Communities

The Miramichi Region Development Corporation supports local initiatives to assist in developing and building an Information Technology Industry in the Miramichi. A Miramichi Business Community Home Page provides a comprehensive site on the internet offering information on economic development, travel, accommodations, recreation, a calendar of events and activities, as well as products and services. This avenue of promotion is a valuable means of providing information about the Miramichi to over 50 million internet users. The Miramichi Region Development Corporation home page and E-Mail address is:

www.mibc.nb.ca/mrdc
dblack@mrdc.redc.nb.ca

3. Miramichi Business Ambassadors Group

The Miramichi Business Ambassadors Group is an excellent mechanism for promoting the Miramichi Region as a good place to do business. The Miramichi Region Development Corporation is a partner with business persons from the region who travel frequently, and who are prepared to form part of an aggressive regional sales team promoting the benefits of business development in the region.

The principle objective of this group is to solicit and generate potential investors into the region. The activities of the group focus on potential prospects at the provincial, national, and international levels, and to encourage outside investors to locate to our region.

Members receive personalized business cards, information packages on the region which can be used to promote the region, and a framed membership certificate.

Mr. Vaughan Ross was inducted as a member of the Miramichi Business Ambassador Group in 1998 joining Phil Cormier, Frank Williston, Joseph O'Neil, David Adam Richards, Bill Hogan, Frank McKenna, Gunter Hoeksma, Elwin Sherrard, MP Charles Hubbard, Keith Pond, Noreen Lobban, Craig Storey, Jack Christie, Roger J. Augustine, and Leon Bremner.

K. NETWORKS

Community involvement, business memberships, and human resource development is required to ensure the continued growth and professionalism of the corporation. In order to be pro-active, it is imperative the corporation play an active co-ordinating role in the region.

The Miramichi Region Development Corporation maintains partnership with the following business organizations:

- DOWNTOWN MIRAMICHI BUSINESS NETWORK
- GREATER MIRAMICHI CHAMBER OF COMMERCE
- MARKET MIRAMICHI GROUP
- MIRAMICHI AIRPORT COMMISSION
- MIRAMICHI DISTRICT PLANNING COMMISSION
- MIRAMICHI PORT COMMITTEE
- MIRAMICHI REGION COMMUNITY ECONOMIC DEVELOPMENT STRATEGY COMMITTEE
- MIRAMICHI SHARED VISIONS PARTNERSHIP
- MIRAMICHI TOURISM GROUP
- NORTHUMBERLAND BUSINESS ADVISORY CENTRE INC.
- SKY PARK MIRAMICHI INC.
- WATER STREET BUSINESS DISTRICT CORPORATION

L. HUMAN RESOURCE DEVELOPMENT

To keep abreast of new developments, staff and board members are encouraged to acquire the knowledge and training necessary to fully serve the public and their business information needs. A number of meetings, seminars, and conferences are attended regularly for this purpose.

NEW BRUNSWICK ECONOMIC COMMISSIONS ASSOCIATION

The New Brunswick Economic Commissions Association represents all directors and staff of the thirteen regional economic commissions in the province, and provides a united approach to ensure federal and provincial department mandates are adhered to.

A past president of the Miramichi Region Development Corporation, Mr. Leslie Price, is the past president of the provincial association and the Corporation's President, Richard Jardine, is a member of the NBECA Board of Directors.

ECONOMIC DEVELOPERS ASSOCIATION OF CANADA

Miramichi Region Development Corporation staff are members of the Economic Developers Association of Canada, a national association whose mandate is to enhance the professional competence of economic developers, and ensure placement of qualified people in the field of economic development while promoting economic development as a distinct recognized profession.

The general manager of the Miramichi Region Development Corporation is the provincial representative on the Board of Directors and serves as past president of the Association.

Chartered Accountants
Canadian Member Firm of
Grant Thornton International

Grant Thornton

Miramichi Region Development Corporation Inc.
Financial Statements

March 31, 1999

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Auditors' Report

To the Board of Directors of
Miramichi Region Development Corporation Inc.

We have audited the balance sheets of Miramichi Region Development Corporation Inc. as at March 31, 1999 and the statements of revenue and expenditure and surplus for the year then ended. These financial statements are the responsibility of the corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the corporation as at March 31, 1999 and the results of its operations for the year then ended in accordance with generally accepted accounting principles.

Grant Thornton

City of Miramichi, New Brunswick
May 14, 1999

Chartered Accountants

135 Henry Street
Miramichi
New Brunswick
E1V 2N5
Tel: (506) 622-0637
Fax: (506) 622-5174

Miramichi Region Development Corporation Inc.
General Operating Fund
Statements of Revenue and Expenditure and Surplus

Year Ended March 31	1999 Budget	1999 Actual	1998 Actual
Revenue			
Co-operation Agreement on Economic Development operating grant	$ 208,545	$ 208,548	$ 236,545
City of Miramichi	60,450	60,050	60,050
Village of Blackville	2,098	2,098	2,098
Village of Doaktown	2,438	2,438	2,438
	273,531	273,134	301,131
Interest	-	1,384	1,464
	273,531	274,518	302,595
Expenditures			
Advertising	2,000	3,609	2,788
Automation	2,000	-	378
Insurance	700	660	807
Interest and bank charges	1,000	2,205	1,014
Office supplies and postage	12,100	12,579	14,139
Professional fees	5,000	5,751	6,289
Promotion and publications	13,000	7,169	18,292
Rent - equipment	7,000	8,129	7,044
office	22,520	19,919	20,217
Small business week	1,000	360	1,057
Telephone	10,000	12,009	9,676
Travel and directors' expenses	25,200	26,945	27,805
Utilities	1,500	1,500	2,450
Wages and employee benefits	170,000	177,697	172,309
Transfer to (from) Special Projects Fund			
Regional Economic Strategy	5,000	-	10,000
General	(4,489)	(4,000)	8,000
	273,531	274,532	302,265
Excess of revenue over expenditure (expenditure over revenue)	$ -	(14)	330
Surplus, beginning of year		653	323
Surplus, end of year		$ 639	$ 653

See accompanying notes to the financial statements.

Miramichi Region Development Corporation Inc.
General Operating Fund
Balance Sheet

March 31	1999	1998
Assets		
Current		
Cash	$ 15,555	$ 548
Receivables	4,267	5,039
Receivable from Industrial Parks Fund	2,098	-
Receivable from Special Projects Fund	-	1,899
Prepaid expenses	-	582
	21,920	8,068
Capital assets (Note 2)	11,808	11,808
	$ 33,728	$ 19,876
Liabilities		
Current		
Payables and accruals	$ 6,780	$ 7,415
Payable to Special Projects Fund	14,501	-
	21,281	7,415
Equity		
Investment in capital assets	11,808	11,808
Operating surplus (Page 2)	639	653
	12,447	12,461
	$ 33,728	$ 19,876

On behalf of the Board

Director Director

See accompanying notes to the financial statements.

Miramichi Region Development Corporation Inc.
Special Projects Fund
Statements of Revenue and Expenditure and Surplus

Year Ended March 31	1999	1998
Revenue		
Aboriginal Initiative	$ 83,075	$ 155,355
CEC Summer Employment Partners	-	3,990
Interest	960	647
Miramichi Economic Centre (Note 6)	(21,823)	32,978
Regional Economic Strategy	18,306	25,000
Transfer from (to) General Operating Fund		
Regional Economic Strategy	-	10,000
General	(4,000)	8,000
	76,518	235,970
Expenditure		
Bank and interest charges	78	-
CEC Summer Employment Partners	-	3,990
Regional Economic Strategy	18,305	24,995
Marketing Miramichi	-	480
Aboriginal Initiative	73,366	155,355
	91,749	184,820
Excess of revenue over expenditure (expenditure over revenue)	$ (15,231)	$ 51,150
Surplus, beginning of year	$ 51,907	$ 757
Excess of revenue over expenditure	(15,231)	51,150
Surplus, end of year	$ 36,676	$ 51,907

See accompanying notes to the financial statements.

Miramichi Region Development Corporation Inc.
Special Projects Fund
Balance Sheet

March 31	1999	1998
Assets		
Current		
Cash	$ 73,666	$ 22,707
Receivables (Note 3)	8,418	35,261
Receivable from Industrial Park Fund	10,000	10,000
Receivable from General Operating Fund	14,501	-
	106,585	67,968
Capital assets (Note 2)	194,000	194,000
	$ 300,585	$ 261,968
Liabilities		
Current		
Accounts payable and accruals	$ 60,015	$ 2,000
Deferred revenue	9,894	12,162
Payable to General Operating Fund	-	1,899
	69,909	16,061
Equity		
Investment in capital assets	194,000	194,000
Surplus (Page 4)	36,676	51,907
	230,676	245,907
	$ 300,585	$ 261,968

On behalf of the Board

Director

Director

Miramichi Region Development Corporation Inc.
Industrial Parks Fund
Statements of Revenue and Expenditure and Surplus

Year Ended March 31	1999	1998
Revenue		
Interest	$ 1,146	$ 83
Expenditure		
Bank charges	72	-
Site maintenance	1,285	-
	1,357	-
Excess of revenue over expenditure (expenditure over revenue)	$ (211)	$ 83
Surplus, beginning of year	$ 257,783	$ 257,700
Excess of revenue over expenditure (expenditure over revenue)	(211)	83
Surplus, end of year	$ 257,572	$ 257,783

See accompanying notes to the financial statements.

Miramichi Region Development Corporation Inc.
Industrial Parks Fund
Balance Sheet

March 31	1999	1998
Assets		
Cash	$ 88,658	$ 287
Receivables		
Harmonized Sales Tax	11,690	210
Deferred charges, N. B. Power	-	5,372
Prepaid expenses	8,885	7,703
Land inventory, Industrial Parks (Note 4)	734,570	637,114
Capital assets (Note 2)	9,978	9,978
	$ 853,781	$ 660,664
Liabilities		
Bank indebtedness	$ 100,000	$ -
Payable and accruals	24,966	10,270
Payable to		
Special Projects Fund	10,000	10,000
General Operating Fund	2,098	-
	137,064	20,270
Deferred government assistance (Note 5)	449,167	372,633
Equity		
Investment in capital assets	9,978	9,978
Surplus (Page 6)	257,572	257,783
	267,550	267,761
	$ 853,781	$ 660,664

On behalf of the Board

Director

Director

Miramichi Region Development Corporation Inc.
Notes to the Financial Statements
March 31, 1999

1. Summary of significant accounting policies

Revenue and expenditure recognition
Revenue and expenditure are recorded on the accrual basis. Revenue from grants is recognized when the expenditure is made in respect to the specific grant.

Capital assets
Capital assets are recorded at the cost incurred by the Corporation. Depreciation is not recorded on the capital assets.

Land Inventory - Industrial Parks
The land inventory is carried at the lower of cost and estimated net realizable value. Cost includes the cost of land, cost of developing and servicing commercial sites and cost of property tax on land inventory.

Deferred Government Assistance
Government assistance relating to the cost of developing the industrial park land is deferred and amortized as the related land is sold.

2. Capital assets

	General Operating Fund	Special Projects Fund	Industrial Parks Fund	Total
Leasehold improvements	$ 11,808	$ 194,000	$ -	$ 205,808
Equipment	-	-	2,214	2,214
Signs	-	-	7,764	7,764
	$ 11,808	$ 194,000	$ 9,978	$ 215,786
1998	$ 11,808	$ 194,000	$ 9,978	$ 215,786

3. Receivables - Special Projects

	1999	1998
Regional Economic Strategy	$ -	$ 10,000
Aboriginal Initiative	-	19,610
Other	8,613	5,651
	$ 8,613	$ 35,261

4. Land - Industrial Parks	1999	1998
Chatham Industrial Park - approximately 145 total acres, 115 acres are developable and 30 acres bordering a water shed are not	$ 177,999	$ 172,895
Newcastle Industrial Park - approximately 42 acres	530,407	438,923
Blackville Industrial Park site - approximately 8 acres	26,164	25,296
	$ 734,570	$ 637,114

5. Deferred Government Assistance	1999	1998
Balance, beginning of year	$ 372,633	$ 372,633
Add: Earned during the year	76,534	-
Less: Amortized during year	-	-
Balance, end of year	$ 449,167	$ 372,633

6. Miramichi Economic Centre

The Corporation has entered into a five year lease with NB Power for premises housing the Miramichi Economic Centre. Costs related to the lease arrangement are recoverable over the life of the lease from Miramichi Economic Centre tenants.

7. Related party transactions

During the year the General Operating Fund paid rent in the amount of $19,919 to the Miramichi Economic Centre a component of the Special Projects Fund.

8. Comparative figures

Certain of the 1998 comparative figures have been restated to reflect the financial statement presentation adopted for 1999.

9. Uncertainty due to the Year 2000 Issue

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. The effects of the Year 2000 Issue may be experienced before, on, or after January 1, 2000, and, if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure which could affect an entity's ability to conduct normal business operations. It is not possible to be certain that all aspects of the year 2000 Issue affecting the company, including those related to the efforts of customers, suppliers, or other third parties, will be fully resolved.